



# NEWS RELEASE

Internal Revenue Service - Criminal Investigation  
Los Angeles Field Office  
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## **Normandie Casino Pleads Guilty to Charges that it Violated Anti-Money Laundering Statutes**

*LOS ANGELES* – A representative for the four partners of the Normandie Casino in Gardena pleaded guilty this morning to charges that the club violated anti-money laundering provisions of the Bank Secrecy Act. As part of an agreement with federal prosecutors, the casino agreed to pay nearly \$2.4 million for failing to report large cash transactions to federal authorities.

According to the plea agreement filed in the case, the Normandie Club, the partnership operating the Normandie Casino, agreed to plead guilty to two felony offenses – failing to maintain an effective anti-money laundering program and conspiring to avoid reporting to the government the large cash transactions of some of the casino's "high-roller" gamblers.

Under federal law – specifically, the Bank Secrecy Act – casinos like the Normandie are required to implement and maintain programs designed to prevent criminals from using the casino to launder the large sums of cash that illegal activity can generate. For example, casinos must record and report to the government the details of transactions involving more than \$10,000 by any one gambler in a 24-hour period.

"The United States has an array of anti-money laundering statutes designed to prevent criminals from using the American financial system to launder the large sums of cash generated by illegal activity such as organized crime, drug trafficking and human trafficking," said United States Attorney Eileen M. Decker. "Casinos that fail to follow these rules are particularly vulnerable to criminals who seek to disguise illegal cash as gambling winnings."

"Maintaining an effective anti-money laundering program is essential to any gaming establishment intending to do business in the United States," said Erick Martinez,

Special Agent in Charge for IRS Criminal Investigation. "This joint investigation continues to demonstrate our efforts to ensure that the gaming industry does not allow criminals to conceal their ill-gotten gains."

In the plea agreement, the Normandie Club admitted that its casino engaged independent gambling "promoters" to locate high-rollers and then steer those gamblers to the casino. As part of the conspiracy, "high-level personnel" at the casino agreed to avoid reporting to the government the large sums of cash certain high-rollers would bring to the casino. According to the plea agreement, the casino avoided reporting cash transactions related to the high-rollers by (1) submitting Currency Transaction Reports that named the promoter instead of the gambler; (2) "structuring" transactions so that they appeared to be less than \$10,000; or (3) simply by failing to record large cash transactions.

During one six-week period in 2013, a single high-roller won more than \$1 million at the casino. The casino agreed to conceal the identity of that high-roller.

United States District Court Judge S. James Otero scheduled sentencing for May 23, 2016. The casino faces a statutory maximum sentence of five years' probation and a fine of \$1,000,000 or twice the gross gain or gross loss resulting from the offense, whichever is greater. Additionally, the parties agreed that the casino should forfeit to the government \$1,383,530, which it admitted receiving in 2013 while failing to file Currency Transaction Reports.

The Normandie also agreed to cooperate in ongoing criminal investigations, and to create, implement, and maintain an effective anti-money laundering program.

The investigation into the Normandie was conducted by IRS Criminal Investigation and the California Department of Justice's Bureau of Gambling Control.

IRS Criminal Investigation has had an active gaming program since 1994 when there was a significant surge in legalized gambling. The legalization and popularity of gaming continues to grow and is currently legal in some form in most states. Criminal Investigation focuses attention on the gaming industry through the enforcement of tax, money laundering, and other related financial criminal statutes within CI's jurisdiction.

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